

DRAFT: 30 October 1962

MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT : CIA Personnel Ceilings

I. Current Situation

A. The CIA personnel ceiling approved in the context of the FY 1963 budget was [REDACTED] In order to provide components with 25X1A1a headroom to recruit for specific, approved, high priority projects, authority to exceed this ceiling in the aggregate amount of [REDACTED] positions 25X1A1a was given with the understanding that every effort would be made to develop offsetting reductions which would make it possible, prior to 1 November 1963, to bring the Agency ceiling back to the original FY 1963 ceiling. (See Annex A for a breakdown of the approved ceiling increases.) With the authorized additions, the current personnel ceiling of CIA is [REDACTED]

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B. Planning for the FY 1964 budget proceeded on the assumption that substantially all activities to which components of the Agency were currently committed would continue at approximately their current levels. ✓ It was not practicable to develop firm recommendations for the elimination of activities or positions before the due date of the FY 1964 budget on

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30 September. Accordingly, the FY 1964 budget, as submitted, sets
from a FY 1963 base of [REDACTED] to 25X1A1a
personnel requirements/at a ceiling of [REDACTED] and a request for funds 25X1A1a
to maintain an average employment of [REDACTED] 25X1A1a

C. The on-duty strength of CIA, as of 30 September, was [REDACTED] 25X1A1a
and projected on-duty at the beginning of FY 1964 is estimated at [REDACTED] 25X1A1a

II. Assumptions

A. From various reviews and assessments of activities, recruiting
levels, and manpower requirements and utilization, including that conducted
by the Task Force chaired by [REDACTED], the following assumptions 25X1A9a
appear valid:

1. That some reductions and economies in personnel
requirements are possible from greater efficiency and the
modification or elimination of activities.

2. That there will continue to exist in FY 1963 pressures
for the assignment of additional personnel to new or expanding
priority activities. 10-15

3. That the longer term foreseeable requirements of the
Agency as reflected in the FY 1964 budget submission and the
various conflicting pressures, both internal and external, for
both expansion and reduction of personnel and funds, are such
as to necessitate now some policy guidance with respect to

Agency manpower levels into FY 1964.

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III. Discussion

A. Proposed Cutback to FY 1963 Ceiling

1. Short term requirements and the practical possibilities for recruiting new personnel indicate that it will be possible to re-establish the FY 1963 Agency ceiling from [REDACTED] without damage to the over-all Agency's capability to accomplish its essential mission. The current personnel situation of the Agency, taking into consideration the present on-duty strength of the various components, reflects some imbalance in the distribution of ceiling between components. The proposed action will in some degree correct this imbalance. The reduction will also create some pressure upon components to curtail lesser priority items, improve manpower utilization or reduce services. It is proposed that cuts in ceiling be imposed upon Agency components as follows:

25X1A1a DD/P [REDACTED]

DD/I [REDACTED]

DD/S [REDACTED]

25X1A1a DCI/Compt [REDACTED]

25X1A1a

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25X1A1a

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25X1A1a 2. No cuts have been recommended for the DD/R from
present ceiling of [REDACTED] since DD/R is requesting an increased
25X1A1a ceiling of [REDACTED] for FY 1963 [REDACTED]

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B. Longer Term Manpower Problem Including FY 1964 Ceiling

1. Re-establishment of the [REDACTED] personnel ceiling is not
a permanent solution to the CIA manpower problem. Courses
of action have been suggested which, if vigorously pursued, could
lead to further reductions. Firm requirements for additional
personnel already exist in the DD/R and presumably will be
created within the foreseeable future in DD/S and DD/I for
communications programs and NPIC. Any material change in
requirements for FY 1963 upon DD/P could involve ceiling
adjustment for the Clandestine Services.

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25X1A1a 2. Assuming that the FY 1963 ceiling of [REDACTED] is re-established,
as proposed in paragraph III.A. above, a decision must be made as
to how to accommodate legitimate requirements for additional
personnel which now exist or may later develop. To the extent
that activities

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can be reduced and economies effected, additional positions can be made available within the ceiling of [REDACTED]. Unless 25X1A1a the Agency is prepared to initiate a drastic and arbitrary cut in personnel strength, however, requirements for additional personnel are likely to exceed the amounts of any reduction.

25X1A1a 3. The FY 1964 budget, as submitted to the Bureau of the Budget, provides for increases of [REDACTED] positions for NPIC, 25X1A1a [REDACTED] for OSA-DD/R [REDACTED] of which have been already requested 25X1A1a in FY 1963) and [REDACTED] for the Office of Communications. No other increases were authorized under the Agency's "hold the line" policy. On the other hand, the FY 1964 budget did not take into account possibilities for retrenchment and economy to offset against requirements for additional personnel.

25X1A1a 4. It appears that the FY 1964 budget as submitted meets most of the known needs of Agency components for personnel ceiling except for [REDACTED] positions requested by DD/R for its Office of Research and Development, additional personnel for the ELINT program, and a new project of the Office of Communications requiring [REDACTED]

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IV. Conclusions

A. The principal personnel ceiling problems which are foreseeable at this time are: (a) to adjust downward to the [REDACTED] figure, (b) to provide some part of the DD/R requirement, and (c) to determine a policy with respect to future pressures in FY 1963 for ceiling relief. Related to these problems is the need for a decision by the Director to support either the personnel level of [REDACTED] as proposed in the FY 1964 Budget or some different figure. Presumably, this determination will be made in consideration of (a) factors pointing toward possible reductions, (b) factors militating against a reduction and including considerations of more efficient management, transfer of responsibilities to other Agencies, and consolidation of activities within the Agency. (See Annex B for detailed discussion of these factors.)

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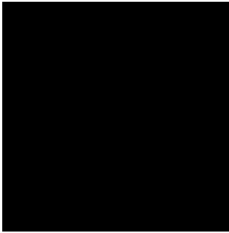

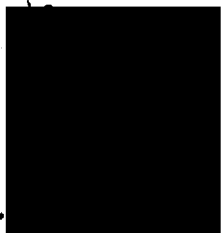



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Annex A

Fiscal Year 1963

Temporary Increase in Ceiling

<u>Office</u>	<u>Temporary Increase</u>	
DCI		25X1A1a
Cable Secretariat		
Inspector General		
General Counsel		
Comptroller		
Subtotal - Office of Director		
00/Contact		25X1A1a
Communications		25X1A1a
Security		
Medical		
Personnel		
		
Subtotal - Support Area		
DD/R-OSA		25X1A1a
AGENCY TOTAL		25X1A1a

X1A6a

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ANNEX B

1. Factors Pointing Towards Possible Reductions

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a. As the [REDACTED] Task Force emphasizes, the greatest potentiality for manpower reduction lies in the elimination of activities of lesser priority. A number of activities are under examination or are scheduled for review which might be reduced or eliminated. (See Annex C)

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b. The [REDACTED] Task Force was unable to identify specific instances of useless or manifestly wasteful employment of manpower. Nevertheless, the Task Force concluded that an energetic application of firm, continuous and informed supervision at all supervisory levels in the Agency would result in greater economies in the use of manpower.

c. Certain economies might also be achieved as a result of simplification of procedures and greater centralization of facilities for administrative support, particularly in the fiscal and personnel fields and also from further centralization of responsibility for research and development. To the extent that responsibility for administrative support can be further centralized in the DD/S and for research in the DD/R, certain positions required by the DD/P for these purposes can perhaps be eliminated.

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d. An examination is being made of all opportunities to transfer to other Agencies of the Government the responsibility for funding and staffing activities which are important but which do not necessarily have to be performed by CIA.

} NPIC
Number

e. The recommendation of the [REDACTED] Task Force to reduce the DD/P by [REDACTED] is slightly exceeded by paragraph III. A. above which proposes a ceiling reduction of [REDACTED] for the DD/P. The Task Force made no other specific recommendation for a net reduction in the strength of a component.

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2. Factors Militating Against a Reduction

a. The principal obstacle to any net reduction in the Agency's personnel strength is the existence of firm requirements for additional personnel for priority activities. As indicated above, expanded programs in Communications, NPIC and DD/R account for most of these requirements although others may develop in the Clandestine Services and elsewhere. If the reduction proposed in paragraph III. A. is accepted, components will have to reassess the amounts by which their longer term (FY 1964) personnel requirements exceed their present, adjusted ceilings. It is therefore not possible at this time to give a precise statement of the estimated additional

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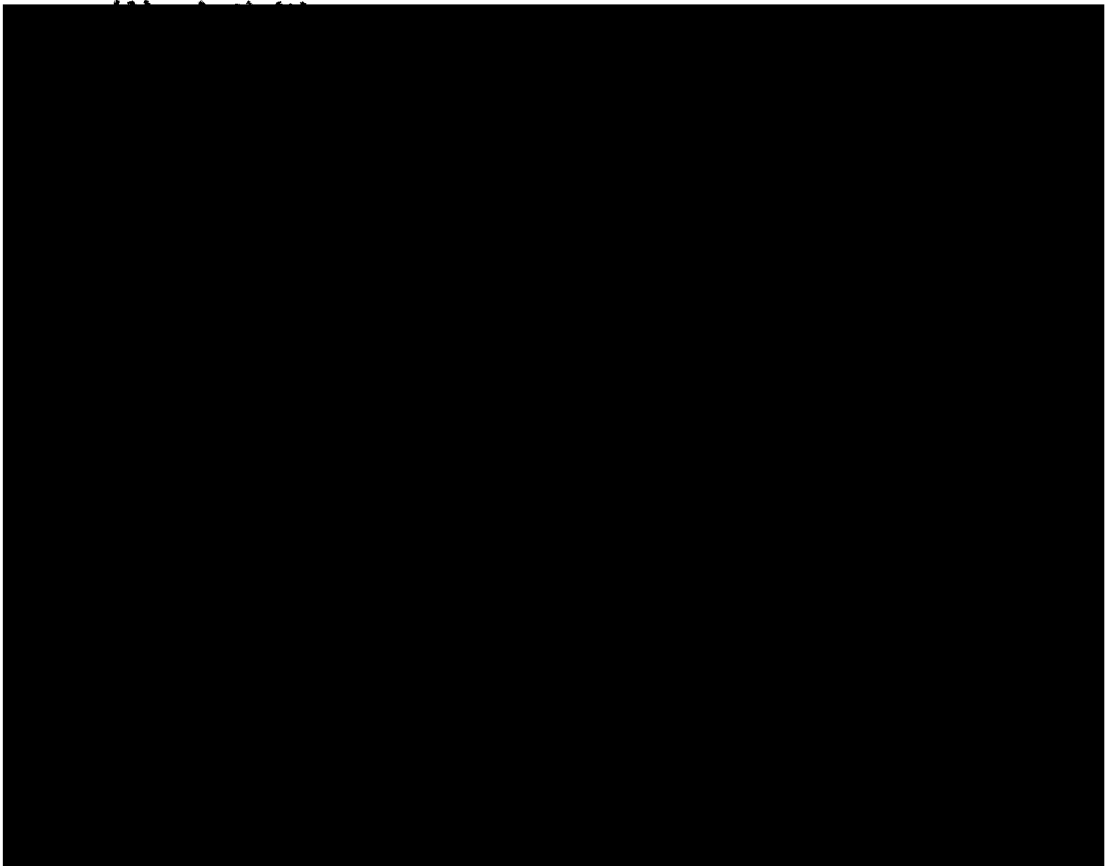
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25X1A1a

requirements of various components to staff these new or expanded programs. Roughly speaking, they approximate, in the aggregate, some [REDACTED] positions in excess of the present adjusted ceiling.

b. While the requirements for additional positions are reasonably precise, the opportunities for retrenchment are, on the whole, vague, dependent as they are, for the most part, on the elimination of programs or improvements in managerial efficiency:

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25X1C

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On the contrary, effective action to this purpose appears indicated. It would be improvident, however, to anticipate any very substantial reductions in personnel ceilings from the elimination of activities.

2. Consolidation of Responsibility

(a) Efficiency might be enhanced and economies effected by a greater consolidation of responsibility for servicing fiscal, personnel, or logistics requirements in the appropriate elements of DD/S or the Comptroller's Office. Although valid, this avenue for reduction does not promise any very speedy returns. Proposals for further centralization of the facilities for service rendered by the Comptroller, for example, which would have resulted in appreciable savings, have had to be postponed, if not rejected, because of lack of centralized space to accommodate the consolidated facilities contemplated by the proposal. To date, centralization of responsibility for Research and Development has resulted in increasing requirements for personnel rather than otherwise.

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3. Transfer of Responsibilities to Other Agencies

(a) Although the Agency has acquired increased responsibilities, i.e., Biographic Register, support for counter-insurgency activities, development of enhanced maritime capabilities, etc., few, if any, legitimate opportunities for the elimination of functions by transfer to other Agencies appear to exist. This is understandable, not only because of a growing tendency on the part of the Government increasingly to depend on Clandestine techniques and resources but also because of a demonstrably increasing need for the expansion of intelligence support facilities of common concern. If such facilities as NIS, NPIC, the registries and [REDACTED] are needed at all, it would be a false economy on the part of the Government as a whole to remove them from CIA simply to transfer them to some other component where they would function at greater cost and less efficiency.

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4. More efficient management

(a) Better supervision, based on a clearer understanding of objectives and more sophisticated managerial

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competence on the part of supervisors, particularly at the Branch Chief level, undoubtedly would result in savings over a period of time. This, however, is a long term process not calculated to produce immediate results. It is, perhaps, significant that the [REDACTED] Task Force found that where some basis of comparison exists the performance of components of this Agency compares very favorably with that of comparable elements of other Government Agencies. Specifically, the Offices of Logistics, Communications, and Personnel appear to function more efficiently than comparable components of other Agencies. It also appears to be generally conceded that responsibilities of OSA in DD/R are performed with less personnel than are required by echelons in the Air Force engaged in similar operations.

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(b) It has long been fashionable to contrast the alleged efficiency of the [REDACTED] in terms of its relative size with what are supposed to be the swollen ranks of CIA. In point of fact, given the differences in charter which require the Clandestine Services to perform responsibilities which are incomparably broader than those

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imposed upon [REDACTED], the numerical strength of the Clandestine Services in terms of professional officers compares very favorably with the [REDACTED] 25X1C8a Service.

(c) It would not seem therefore that very substantial savings are probable from enhanced managerial efficiency in either service or operational components.

3. General Factors

a. To a certain degree, the size of the Agency will have to be determined by rather arbitrary considerations of what the traffic will bear. The pressure on all Government Agencies to reduce is evidenced by the Presidential instruction attached as Annex E. The official interest in a reduction in the size of CIA is well known. A factor in determining the size of the Agency very frankly therefore is a reasonably calculated judgment as to what Congress and leaders in the Executive Branch concerned can be persuaded, somewhat arbitrarily, to accept.

b. Reduction will require a substantial and continuing effort on the part of individual components to improve efficiency and

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eliminate marginal activity. In order to provide the incentive necessary for the effective assertion of command a personnel ceiling should be established. Individual requirements above this ceiling should be justified to and approved by the DDCI. As reductions can only be accomplished over a period of time and as both requirements and availability of additional personnel for new or expanded programs are difficult to forecast with exact precision any new adjustment of ceiling should probably provide for a central pool or reserve of positions allocable at the discretion of the DDCI.